

Message Text

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ACTION AF-08

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TO SECSTATE WASHDC IMMEDIATE 5686

INFO AMCONSUL DURBAN

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AMCONSUL CAPE TOWN

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CAPE TOWN ALSO FOR EMBASSY

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E.O. N/A

TAGS: ELAB, EGEN, SF, US

SUBJECT US BUSINESS MEETING WITH PIK BOTHA

FRONT PAGE OF MARCH 1 EDITION OF THE STAR, PRETORIA NEWS,
AND OTHER SOUTH AFRICAN DAILIES CARRIES FOLLOWING ACCOUNT
OF FEB 28 MEETING BETWEEN FRANK CAREY OF IBM, THOMAS MURPHY OF
GENERAL MOTORS, AND REV LEON SULLIVAN WITH FOREIGN MINISTER DESIGN-
ATE BOTHA: BEGIN TEXT:

AMERICAN BIG BUSINESS, UNDER EXTREME PRESSURE FROM THE
CARTER ADMINISTRATION AND 'HAWK' PRESSURE GROUPS, HAS COME
TO SOUTH AFRICA WITH A BLUEPRINT FOR MINIMUM CHANGE IN
RACIAL PRACTICES. SHOULD THE VORSTER GOVERNMENT NOT ACCEPT THIS
BASIC STANDARD, IT IS UNDERSTOOD THE POWERFUL US
CORPORATIONS MAY BE UNDER PRESSURE TO WITHDRAW FROM THE COUNTRY.

THREE MEN REPRESENTING 11 US CORPORATIONS OPERATING IN
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SOUTH AFRICA- MR FRANK CAREY OF IBM, MR THOMAS MURPHY OF
GENERAL MOTORS AND THE REV LEON SULLIVAN OF THE ZIONIST BAPTIST
CHURCH (ALSO A BOARD MEMBER OF IBM)--APPROACHED THE SOUTH
AFRICAN AMBASSADOR MR R F BOTHA, IN WASHINGTON TODAY.

THEY WERE SPEAKING FOR AMERICAN CYANAMID, CALTEX PETROLEUM,
CITICORP, FORD MOTOR COMPANY, GENERAL MOTORS, INTERNATIONAL

BUSINESS MACHINES, INTERNATIONAL HARVESTER, MINNESOTA MINING AND MANUFACTURING, MOBIL OIL, OTIS ELEVATOR COMPANY AND UNION CARBIDE.

AFTER EXCHANGES WHICH LASTED FOR NEARLY TWO HOURS, IT IS BELIEVED THE US BUSINESS GROUPS "WATERED DOWN" THEIR MORE RADICAL DEMANDS TO AVOID POSSIBLE DIRECT CONFRONTATION WITH THE SOUTH AFRICAN GOVERNMENT.

IT IS CLEAR THAT US BUSINESS INTERESTS HAVE PRESENTED THEIR MINIMUM REQUIREMENTS, AND WILL FIND IT INCREASINGLY DIFFICULT TO CONTINUE OPERATIONS UNLESS THESE ARE MET.

IN A STATEMENT, THE COMPANIES SUPPORTED THESE OPERATING PRINCIPLES:

NON-SEGREGATION OF THE RACES IN ALL EATING, COMFORT AND WORK FACILITIES;

EQUAL AND FAIR EMPLOYMENT PRACTICES FOR ALL EMPLOYEES;

EQUAL PAY FOR ALL EMPLOYEES DOING EQUAL AND COMPARABLE WORK.

DEVELOPMENT TRAINING PROGRAMME THAT WILL PREPARE, IN SUBSTANTIAL NUMBERS, BLACKS FOR SUPERVISORY, ADMINISTRATIVE, CLERICAL AND TECHNICAL JOBS;

INCREASING THE NUMBER OF BLACKS IN MANAGEMENT AND SUPERVISORY POSITIONS;

IMPROVING THE QUALITY OF EMPLOYEES' LIVES OUTSIDE THE WORK ENVIRONMENT, IN SUCH AREAS AS HOUSING, TRANSPORT, SCHOOLING, RECREATION AND HEALTH.

THE US COMPANIES ALSO STATED: ' WE AGREE TO FURTHER IMPLEMENT THESE PRINCIPLES. WHERE IMPLEMENTATION REQUIRES A MODIFICATION OF EXISTING SOUTH AFRICAN WORKING CONDITIONS, WE WILL SEEK SUCH MODIFICATIONS THROUGH APPROPRIATE CHANNELS.

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' WE BELIEVE IMPLEMENTATION OF THE FOREGOING PRINCIPLES IS CONSISTENT WITH RESPECT FOR HUMAN DIGNITY AND WILL CONTRIBUTE GREATLY TO THE GENERAL ECONOMIC WELFARE OF ALL THE PEOPLE OF SA.'

THE STATEMENT FOLLOWS A MEETING BETWEEN US CORPORATE INTERESTS AND THE SECRETARY OF STATE, MR CYRUS VANCE LAST WEDNESDAY.

IT INDICATES SUPPORT OF THE CARTER ADMINISTRATION FOR THE ACTION OF AMERICAN BIG BUSINESS, AND IS THE FIRST STEP TOWARDS USING AMERICA'S ECONOMIC LEVERAGE TO BRING ABOUT SIGNIFICANT CHANGE IN SOUTH AFRICA.

WHAT HAS BEEN MADE CLEAR IN THIS LOW-KEY, COERCIVE ACTION IS THAT THERE ARE NO DOUBLE STANDARDS.

OTHER COUNTRIES BESIDE SOUTH AFRICA WILL HAVE TO ACCEPT THE NEW AMERICAN BUSINESS MORALITY HERALDED BY THE CARTER ADMINISTRATION'S HUMAN RIGHTS BROADSIDE.

UNITED ARAB REPUBLIC BUSINESS OPERATIONS WILL NOT, FOR EXAMPLE, BE ABLE TO INDULGE IN BUSINESS PRACTICES THAT DISCRIMINATE

AGAINST ISRAELIS.

THE SOUTH AFRICAN GOVERNMENT WILL NOW HAVE TO TAKE COGNISANCE OF
THIS KEY QUESTION: CAN SOUTH AFRICA AFFORD TO PRESCRIBE TO FOREIGN
INVESTORS ON WHAT BASIS THEY INVEST OR UNDER WHAT CONDITIONS THEY
POUR THEIR BADLY NEEDED MONEY INTO THE SOUTH AFRICAN ECONOMY?

THE US ACTION ALSO SETS A PRECEDENT FOR BRITISH, FRENCH, ITALIAN
AND GERMAN INVESTMENT IN SOUTH AFRICA,
WHOSE AILING ECONOMY WILL NOT ALLOW AN
IDEOLOGICAL HARD-LINE STANCE AT THIS STAGE. END TEXT.
JOHNSON

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